

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-20

STR-08 CEA-02 PA-04 PRS-01 USIA-15 DRC-01 ABF-01 /182 W

----- 065160

R 241425Z OCT 73

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 8801

INFO AMEMBASSY BERN

AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMCONSUL JOHANNESBURG

AMEMBASSY LONDON

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E.O. 11652: N/A

TAGS: EFIN, SF

SUBJ: SOUTH AFRICAN GOLD AND FOREIGN EXCHANGE

RESERVES FOR WEEK ENDING OCTOBER 12, 1973

REF: PRETORIA 3768

1. SOUTH AFRICAN RESERVE BANK HOLDINGS FOR WEEK ENDING OCT 12

AS FOLLOWS (IN MILLION RAND):

GOLD	572.8 (DOWN 1.3)
FOREIGN EXCHANGE	521.1 (UP 9.5)
TOTAL	1,093.9 (UP 8.2)

2. IGNACE VAN KAN, GENERAL MANAGER OF NEDBANK, SAID IN A SPEECH OCTOBER 18 THAT TWO-TIER GOLD MARKET HAD BEEN GOOD FOR SA AND THAT IT WOULD BE UNWISE FOR REPUBLIC TO INSIST ON NEW OFFICIAL PRICE WHICH MIGHT CAUSE UNHEALTHY SPECULATION. RAND DAILY MAIL QUOTED

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VAN KAN AS INDICATING THAT DESPITE TWO-TIER SYSTEM, SOUTH AFRICA

COULD BE BULLISH ON GOLD SINCE IT CAN BE EXPECTED FORM PART OF
NEW MONETARY SYSTEM IN ONE FORM OR ANOTHER FOR LONG TIME TO COME.
COMMENT: QUESTIONING WISDOM OF SEEKING GOLD OFFICIAL PRICE RISE
IS RARE IN SA EVEN FROM PRIVATE FINANCIAL SECTOR, AND VAN KAN'S
VIEW PROBABLY HAS NO SIGNIFICANCE FOR SA POSITION ON SUBJECT.
DESPITE DOGMATIC LINE ON MONETARY GOLD PRICE THEORY, HOWEVER,
SAG FINANCIAL MANAGERS RECOGNIZE WINDFALLS OF TWO-TIER SYSTEM
AND ARE NOT ALL THAT ANXIOUS TO ROCK THE BOAT. THEY ARE ALSO
CAREFUL TO ACKNOWLEDGE THAT THEY HAVE LITTLE VOICE IN MATTER,
COMMENTING THAT MAJOR FINANCIAL POWERS WILL DECIDE ISSUE. END
COMMENT.

3. THE RAND RATE DECLINED 1.0 PERCENT AGAINST STERLING, 0.4
PERCENT AGAINST THE FRENCH FRANC AND 0.6 PERCENT AGAINST THE
W. GERMAN MARK DURING THE WEEK ENDING OCTOBER 20.
HURD

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Message Attributes

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Disposition Authority: garlanwa
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30 JUN 2005

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